

A stylized world map composed of a grid of dots. The dots are mostly light gray, but several are highlighted in red, representing the BRICS countries (Brazil, Russia, India, China, and South Africa).

# BRICS in Global Governance

## A Progressive Force?

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- Given their expanding economic size and increasingly active diplomacy, BRICS countries are gradually gaining greater influence over the international decision-making process. Managing the influence of these emerging powers and reforming global institutions will become a decisive issue for a future effective global governance system.
- The US and Europe should transfer some rights to the emerging powers for more contribution of financial resources to IMF. With the increasing diffusion of global power, any reform of international institutions would be impossible without positive cooperation between both established and emerging members.
- The international community should encourage the five permanent members of the UN Security Council to offer emerging powers a non-permanent, but longer-term and more substantial standing on the Council. This would be a good way to preview emerging powers' performance. Gradual changes to the Council may also be amenable and beneficial to China and Russia.
- In general, an incremental approach with the mindset of cooperative stakeholders might serve BRICS better to transform the current world order peacefully and constructively.

## 1. Does BRICS Matter?

One prominent feature of the current international system is that several key emerging markets are gaining more space as influential global players. The acronym BRIC was firstly identified by Goldman Sachs to characterize the growing economic potential of countries including Brazil, Russia, India and China. It was forecasted by Goldman Sachs that BRIC economies can become as large as the G7 economies by 2032<sup>1</sup>. With South Africa joining in April 2011, the term BRICS has become a widely-used symbol for the shifting of global economic power from developed economies to major developing countries.

But while emerging economic power is a theoretical term to define the economic dynamics of developing countries, this does not adequately reflect their geopolitical and foreign policy impact. Translating economic power into international influence, for instance by changing other's thinking and behavior, or by contributing to international public goods is a difficult process; yet emerging economies have been defined as emerging powers to describe their increasing international influence.

The international community has witnessed in the past decade that countries like BRICS members were getting more actively involved in world affairs. Individually, BRICS countries are prominent regional players in maintaining regional security and dealing with economic challenges by either working through regional institutions or coordinating with major external players sometimes. The political responses to crises such as nuclear issues in North Korea and Iran, peacekeeping in Haiti, the coup d'état in Honduras, and the separation of the two Sudans have witnessed the assistance or even leading efforts from relevant BRICS members. At the same time, the BASIC (Brazil, South Africa, India and China) grouping is working consistently on international negotiation of climate change since the 2010 Copenhagen conference, the IBSA (India, Brazil and South Africa) grouping is working on promoting UN Security Council reform and

<sup>1</sup> Jim O'Neill and Anna Stupnytska, "The Long-Term Outlook for the BRICs and N-11 Post Crisis," *Goldman Sachs Global Economics Paper No: 192*, December 4, 2009, 3. <http://www2.goldmansachs.com/ideas/brics/brics-at-8/BRICS-doc.pdf>.

regional development in Africa, and BRICS as a group is aiming to build a more fair and just world order especially by reforming current international financial institutions.

This proactive posture on the international stage reflects that emerging powers see their future in a deepened integration into the international system and globalization. Although these powers were frequently identified as regional powers, projecting their influence onto the global level cannot be achieved by relying exclusively on the regional bases to which they belong. As a matter of fact, their regional leadership often remains to be contested as for example China and Brazil still face strong challenges to their regional leadership from both within the region or by great powers from another region. Despite these challenges, most of the BRICS members have established strong political and economic linkages with the rest of their region and play either leadership or supporting roles for regional cooperation. However, most emerging powers adopt a global strategy to develop themselves.

It is also noteworthy that, with the exception of Russia, for the first time in their history these emerging powers act as real global players. China's previous dominant influence was mainly established in the East Asian area during an era that preceded the modern system based on state sovereignty. Similarly, India's traditional power was mainly limited in the South Asian area. Both Brazil and South Africa have a relatively short history as a strong regional player with a great concern of building benign neighboring relations across their regions respectively. Gradually these emerging powers began to start their rising path through a deliberately designed global strategy to benefit from the world economy. Today, the economic power of these countries has been felt across the world. China's accession to the WTO was a case in point and China's current economic engagement has reached beyond the traditional developed markets and into the developing regions of Africa, Latin America, Middle East and Central Asia. Consequently, emerging powers are not only important trading partners to the developed world, but as emerging donors they are also key development partners for developing world.

To expand their global economic relationship further and protect their increasing overseas interests, these emerging economies are starting to transform their economic power into international political influence.

One effort in this regard is that BRICS has become a political entity with an aim of both exploring internal economic opportunities among its members and of reforming the global governance system. Emerging powers realized that solving domestic development challenges requires a more favorable external environment beyond close neighbors. South Africa, a country with a 50 million population, was invited to join the BRICS summit mostly based on its active global diplomacy and its regional influence rather than the size of its economy. The accession of South Africa reflected BRICS' concern with Africa and its desire to be an influential global entity with members from major continents. Against this backdrop, reform of current global institutions is becoming a focus for major emerging powers so that the institutions can be used to protect the BRICS' increased systemic interests and to reflect their values and visions for the future world order. Exemplary for this heightened engagement in global governance, the subsequent sections will reflect on BRICS' recent efforts with regards to UN peacekeeping, the reform of the Security Council, and the G20 and international financial institutions.

## 2. UN Peacekeeping and the Responsibility to Protect

All BRICS countries are key UN members in maintaining international peace and security. Both China and Russia are permanent members of UN Security Council. Others within the group are frequently elected as non-permanent members of the Council. In fact, in 2011 all BRICS countries were on the Council. Most of them make valuable contributions to UN peacekeeping operations by providing troops, training, and by voting for supportive mandates. Besides peace operations, BRICS members consider the UN as the most legitimate institutions to adopt collective actions for keeping and restoring peace, such as preventive deployments and post-conflict peace-building. All of them want the UN to play a central role in international peace and security affairs which has expanded from international conflicts to domestic turmoil, global pandemics, transnational terrorism, and proliferation of weapons of mass destruction. Considering the importance of UN in dealing with international security affairs, BRICS countries try to play a greater role in the framework of UN either through contributing more available resources or by promoting the reform of UN Security Council.

Most BRICS members are engaged UN peacekeepers, which could help emerging powers to assume their international responsibilities as well as practice the overseas military operation capacity of their armies. Brazil's policymakers consider peacekeeping as part of the price the country has to pay to be among the nations who make the rules, and the country has sent troops to half of the approximately 60 UN operations since 1948.<sup>2</sup> India has contributed nearly 100,000 troops, and participated in more than 40 missions.<sup>3</sup> India also continues to provide eminent Force Commanders for UN Missions and training to military officers from different countries. To date, also China's international peacekeeping commitments span the globe, which is a big departure from China's unwillingness to support any peacekeeping mission during 1970s.<sup>4</sup> Under the leadership of Thabo Mbeki, South Africa increasingly committed its military to peace support operations on the continent. The country's growing role in peacekeeping was listed by the Minister of Defense and Military Veterans in 2009 as the most important challenges facing the Zuma administration.<sup>5</sup> South Africa currently is a major contributor to the UN peacekeeping mission efforts in Africa. Russia has contributed \$22 million to the UN's peacekeeping operations in Lebanon, Ivory Coast and in Darfur.<sup>6</sup> Lack of sufficient funding is one of the main challenges for collective action at the UN. Given the declining military and financial contributions to UN peacekeeping operations from G7 countries, particularly against the budgetary constraints invoked by the international financial crises, the contribution of either military personnel or financial resources to UN peacekeeping from BRICS countries is becoming more important.

UN Peacekeeping is facing more complexity as internal conflicts have increased. Internal conflicts on the African continent, manifested by violent armed rebellion between governments and opposition or

<sup>2</sup> "Brazil and Peacekeeping: Policy, not Altruism" *The Economist*, Sep 23, 2010,

<http://www.economist.com/node/17095626>.

<sup>3</sup> [http://www.un.int/india/india\\_and\\_the\\_un\\_keeping.html](http://www.un.int/india/india_and_the_un_keeping.html).

<sup>4</sup> See Bonny Ling, "China's Peacekeeping Diplomacy," *International Relations and Institutions*, No. 1, 2007, p. 47.

<sup>5</sup> Emmanuel Nlbishaka, "South Africa's Peacekeeping Role in Africa: Motives and Challenges of Peacekeeping," *International Politics*, 02/2011, Rosa Luxemburg Stiftung, South Africa.

<sup>6</sup> <http://english.ruvr.ru/2011/10/29/59547139.html>.

militia groups, create a dilemma around the notion of sovereignty for BRICS, especially when humanitarian crises require external intervention. The attitude of BRICS towards the concept of "Responsibility to Protect (RtoP)" is a key dimension for evaluating their depth of peacekeeping determination in this regard. RtoP, as it was adopted by all UN Member States in 2005, stipulates that each individual state has the responsibility to protect its populations from genocide, war crimes, ethnic cleansing and crimes against humanity. If a state cannot – or deliberately does not want to – assume this responsibility, the international community is tasked to step in and, as a last resort, the Security Council may have to authorize a coercive intervention. In general, BRICS countries are hesitant to vote for military action in the UN Security Council. This cautious posture can be explained by their history as victims of external power interventions, which resulted afterwards in strict interpretations of sovereignty. In this vein, the recent voting on Libya and Syria reflected the BRICS countries' concerns about UN Security Council resolutions being abused by Western powers. Specifically, in the case of Libya BRICS countries criticized the way the intervention was implemented by NATO rather than the RtoP principle itself. Consequently, to prevent future abuses of authorization of military means during RtoP cases, Brazil proposed the norm of "responsibility while protecting".

Though the UN upholds basic normative standards on the use of force, it will take emerging powers more time to accept RtoP than it took them to accept peacekeeping norms. It is difficult for emerging powers to acknowledge that human rights norms should be considered higher than national sovereignty, partly because of their history of colonization, and partly because as rising powers they have no intention to play an aggressive international role. Yet due to these countries' rising international ambition and their growth in vested interests overseas, emerging powers are challenged to rethink their attitudes towards RtoP on two accounts. One challenge for BRICS countries on RtoP is that too cautious an attitude or "non-cooperative" behavior might influence the chances for UN Security Council reform. Established Western powers might conclude that a reformed UN Security Council with new members from BRICS might make the council even more difficult to reach any resolution, which will reduce the political will of established powers to permanently accommodate these new powers within the UN Security Council. The other

challenge for emerging powers is that their growth of overseas interests makes it more difficult for them to stay away from countries that turn out to become RtoP cases. Emerging powers are becoming the main investors, importers and exporters to regions where most peacekeeping tasks have been done. In the case of the Middle East for instance, China and India are the main importers of oil, but also the primary exporters of goods to the region. The Arab-South American summits witnessed the importance of the region to Brazil. These broader interests might be creating opportunities for emerging powers to assume their responsibility based on increased interests. In the future, the decisions of BRICS countries on RtoP cases will therefore be more pragmatic and interest-based rather than ideological.

### 3. Reforming the Security Council

The UN Security Council was frequently criticized as a reflection of the world of 1945 rather than the world today. The Council is increasingly anachronistic, failing to reflect shifts in global power or including on a permanent basis even a single country from Africa or Latin America. Reforming the Security Council is therefore the core item of the UN reform agenda. Under the leadership of then-Secretary-General Kofi Annan, a High-Level Panel was created that came up with two alternative recommendations for reforming the Council. The first plan was to invite India, Japan, Brazil, Germany and two African states to join the Council as permanent members without a veto, and the second plan was to adopt rotating members rather than add new permanent members. Because the resistance from regional peers and the unwillingness of the P5 to push for real reform, neither plan could muster enough support. Without a hard push under US leadership, the necessary regional consensus, and an imperative systemic threat to global security, the difficulties to reform the Council seem insurmountable. Even if BRICS' non-permanent Council members, together with Germany and Japan, could win two-thirds of the UN General Assembly, the decision would still require domestic legislative ratification by two-thirds of the member states, including all P5 members.

The growing influence in global governance of regional institutions and the politics of groupings composed by different states for different topics makes it imperative to reform the composition of the Council and to make it more effective. Two BRICS countries, China and

Russia, are permanent members, whereas the other three are among the most prominent candidates to future permanent membership. All BRICS members agree that the UN need a comprehensive reform including its Security Council to make it more effective, efficient and representative. But whereas the statements of the latest BRICS summit in Sanya, China, supported the aspirations of Brazil, India and South Africa to play a greater role in the UN, China and Russia did not support explicitly these countries' aspirations to become permanent members of UN Security Council. To forge a clear, unified and firm support position within BRICS in this regard will surely change the dynamics of Council reform.

As for the established Western powers, their biggest concern is the uncertainty about how emerging powers would behave if they did obtain permanent seats on the Council. Even though Brazil, India and South Africa are emerging major democracies, their conduct in international affairs is more similar to the approach of the global South. As discussed above, emerging powers are hesitant to use the Council's coercive tools to defend international norms. For instance, there is a concern that India would import its nonaligned rhetoric into the Council.<sup>7</sup> Conversely, considering its aggressive way during Apartheid period and its desire to play a leadership role in Africa, South Africa is very cautious to solve the regional peace by contributing to any external intervention, and it prefers regional solutions to regional affairs. And Brazil's efforts together with Turkey to mediate in the Iranian nuclear issue were not appreciated by the P5 of the Security Council. Brazil's closing ranks with other BRICS members in the Council votes on Libya and Syria also left a negative impression with established Western powers. After the Libya case setting a bad precedence, BRICS united to prevent a repetition with regards to Syria, despite a different preference from Western powers. As debates on norms like protection of civilians in armed conflict and R2P reflected the lack of consensus between emerging and established powers, the latter felt less inclined to push for the reform of the Council's composition.

<sup>7</sup> Stewart Patrick and Preeti Bhattacharji, "Rising India: Implications for World Order and International Institutions," <http://www.cfr.org/projects/world/rising-india-implications-for-world-order-and-international-institutions/pr1545>.

Some have argued that it is important to discard the concept of a single BRIC bloc when understanding the future prospects for the UN.<sup>8</sup> According to this line of reasoning, there are three categories of power. The US is in a category by itself preferring direct action. The second category comprises the other four permanent members of the Security Council. These countries are skeptical about Council reform, which they fear would dilute their influence. The third category is the have-nots, including half of the BRICS group. For them, Council expansion would lead to an increase in prestige, influence, and bargaining power. At the same time they may not increase their burden-sharing, since these countries are not yet well prepared to assume great power responsibilities abroad. What emerges is a real and complicated picture of the Council reform efforts. Building mutual trust based on similar norms, behavioral approaches, and shared interests are the key factors before substantial reform is likely to happen to the Security Council. The political unity among BRICS members is still far behind their aspiration in reforming the UN system. The controversial Sino-Indian relationship with regards to the Dalai Lama and border disputes are just two issues that complicate reaching a consensus on India's permanent Council seat.<sup>9</sup>

#### 4. G20 and the Reform of International Financial Institutions

The evolution of the G20 is a telling story about the complexity of today's world economy and the rising influence of emerging economies in its management. The G20 summit is the first international platform whose structure reflects the distribution of economic powers in today's world. The countries around the table account for about 85 percent of global GDP.<sup>10</sup> It was established at the level of finance ministers to solve the problems of emerging economies against the background of the Asian financial crisis in 1999. G20 meetings were promoted to a summit level, not the least with the help of China and Brazil, mainly to solve

<sup>8</sup> See G. John Ikenberry & Thomas Wright, *Rising Powers and Global Institutions*, the Century Foundation, 2008, pp. 1-34.

<sup>9</sup> See Jagannath P. Panda, "Beijing's Perspective on UN Security Council Reform: Identity, Activism and Strategy," *Portuguese Journal of International Affairs*, Spring/Summer 2011, pp. 24-36.

<sup>10</sup> Robert B. Zoellick, "Five Myths about the G-20," *The Washington Post*, October 28, 2011.

the problem of the developed economies caused by the financial crises of 2008. The G20 summit was created not only to solve the problem of developed economies with the help of emerging economies, but also to maintain the stability in global economy by universally managing the highly risky financial instruments.

When the first BRIC summit took place during the 2008 financial crisis, it focused on how to understand the crisis and how to work together within the G20 to reform the international financial institutions. The main achievements of the G20 included a \$1.1 trillion global recovery plan and increased IMF resources. BRICS countries in particular contributed to both achievements. China launched an impressive domestic stimulus plan, as was Brazil, which turned from a decade-long debtor into a key contributor to the IMF. In exchange, the IMF Governing Board agreed on a transfer of IMF voting shares to emerging economies. Also other governance efforts, such as the G20's initiatives on a Financial Stability Board, financial regulatory policies, mutual assessment mechanisms and the development agenda are highly relevant to emerging economies' future and concerns.

In all these bodies, BRICS countries have augmented their legitimacy due to their increased integration into the world economic system. All of them are major economies in their region and influential members in the World Trade Organization. The newly obtained WTO membership might improve Russia's economic lot as Russia's financial power is relatively small compared with its BRICS peers and its political leverage is largely based on the influence of the Russian energy sector on consumers in Europe and Asia. China and Brazil are the main beneficiaries of quota reform of IMF in 2008. Brazil, China, Russia and India are the major bonds buyer of the total quota increase of IMF in 2009 reform. Emerging powers China, India, Russia and Brazil will see their quota shares increase from 3.996%, 2.442%, 2.494%, 1.783% in 2008 to 6.394%, 2.751%, 2.706% and 2.316% respectively. The structure of the Board of Directors will be adjusted to minimize the privileges of European countries by reducing the number of their directors by two, and having all directors elected rather than appointed.

Under the current international monetary system, BRICS countries feel it necessary to accumulate huge foreign reserves in order to avoid financial risks. BRICS therefore also want to reform the world currency

system, by promoting an alternative to the US Dollar or by promoting the status of Special Drawing Rights. From the perspective of BRICS countries, there are some aspects that need to be reformed. Firstly, the diversification in international reserve currencies should be accelerated, aiming at establishing an accountable international currency system. Secondly, disequilibrium in the balance of payments on a global scale is of serious concern. Since the late 1990s, the current account surplus in emerging markets has been increasing, while the current account deficit in the United States as an investment destination for emerging markets has been increasing. Thirdly, the decision making mechanism in IMF is dominated by a few actors, such as the United States and European countries. The mechanisms for selecting senior managers in IMF are not transparent, and the standard criteria are based on nationality rather than purely on expertise. Fourthly, the available funding resources of IMF are limited and an increasing contribution from emerging economies in exchange for voting share reform approach is needed. Lastly, the IMF needs to enhance its function of regulating and supervising of international financial markets to avoid systemic risks.

Both the G20 and institutions like IMF are working hard to prevent the international economic system from collapsing, and all major economies are supporting them in this effort. However, there is intense competition among major economies within the G20 and other relevant institutions about special interests and influence. The United States and the major powers share a compelling interest to protect the global system from collapse but within that system have every incentive to compete for political and economic gain.<sup>11</sup> The US and Europe should transfer some rights to the emerging powers in exchange for a greater contribution of financial resources to IMF. With the increasing diffusion of global power, any reform of international institutions would be impossible without positive cooperation between both established and emerging members.

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<sup>11</sup> Bruce Jones, "Beyond Blocs: The West, Rising Powers and Interest-based International Cooperation," *Policy Analysis Brief*, October 2011, The Stanley Foundation.

## 5. Conclusion

With their increasing comprehensive power, BRICS countries will definitely have the capacity to contribute more to international public goods. This is not only the expectation from the international community to deal with daunting global challenges, but also for BRICS's own benefit to protect their increasingly expanding global interests. To deliver such goods BRICS states will mainly work through the current international institutions such as the UN and IMF, which continue to be dominated by the Western powers' interests and norms. To accommodate emerging powers into the system will need a mutual and gradual adaptation process. The key to this will be a cooperative spirit and a pragmatic approach rather than zero-sum game or block thinking.

Since the current global governance structure was mainly created and led by established Western powers, emerging powers should use their collective influence to reshape the international system to reflect their concerns. With the emergence of the G20 summits, the old pattern of G8+5 or outreach 5 with its unequal and ad hoc character has lost its dynamic. The BRIC/BRICS summit was initiated to create a new platform for emerging powers to work together as a group of rising powers that are both willing and able to play a collective role in international affairs. What emerging powers pursue collectively is to seek a new international political and economic order that is built on the principles of multi-polarity, justice, fairness and democracy. As newly influential members of the current international system, emerging powers wish to increase their voice in the global governance structure to reflect their perspectives and interests. They are working together to make global governance structures more representative and effective through peaceful and gradual reforms. In this context, the BRICS group is not aimed as a counterbalance to the established western powers but rather seeks to pursue a more effective or equal interaction with them to build a better world order for humanity.

A more pro-active role for BRICS in global governance is not easy considering their huge domestic development challenges and differences with Western countries on values or means to deal with global issues. Declarations of BRICS summits are good at offering cooperative visions on regional and global affairs, while few detailed plans and means are available to accomplish

those visions. Failures in forging a unified position on a BRICS candidate for heading the IMF and for the crises in Libya and Syria issue cast a shadow on the capacity to set a global agenda. However, the BRICS should find a clear and common approach considering their great potential to influence global issues. Some visible achievements have been made in reforming the international financial system. The new membership of South Africa will introduce more dynamism on international development cooperation, especially in Africa.

BRICS remain wary about becoming "responsible stakeholder" or partners in maintaining the Western order.<sup>12</sup> Emerging powers resisted many Western liberal policies from humanitarian interventions to financial deregulation, and object to conditionality requirements imposed by Western dominated institutions. All this might be reasons for Western countries to see BRICS as a stumbling block rather than a progressive force. A case in point was last year's coexistence of all BRICS countries as members of the Security Council. However, the international community should encourage the P5 to accommodate emerging powers by adding to the Council 2 or 3 long-term rotating seats, to which all countries could be elected and re-elected every six years. Offering them more substantial standing on the Council would be a good way to preview emerging powers' performance. A gradual way to change the Council may also be amenable and beneficial to China and Russia. In general, a gradual and incremental approach with the mindset of cooperative stakeholders might serve BRICS better to transform the current world order peacefully and constructively.

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<sup>12</sup> Cynthia Roberts, "Building the New World Order BRIC by BRIC," *The European Financial Review*, Feb/Mar 2011, p. 8.



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